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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2404**

June 24, 2004

The Honorable Haley Barbour  
Governor  
State of Mississippi  
Post Office Box 139  
Jackson, MS 39205

Dear Governor Barbour:



I am writing to urge you to reconsider the state's action to eliminate Medicaid coverage for the 65,000 Mississippians enrolled under the category Poverty Level Aged and Disabled (PLAD). I encourage you to delay implementation of the Medicaid changes and to use the delay period to answer the many questions about the availability of free or low-cost prescription drugs for those who lose Medicaid coverage. I also encourage you to consider other alternatives to balance the state budget.

As a former State Senator, I am very respectful of state jurisdiction and as a rule I do not try to influence state or local governments policies except when those actions have a substantial effect on matters also under federal jurisdiction.

I appreciate that this was a difficult decision and I commend you for making hard choices that are needed to balance the budget as required by the Mississippi Constitution. I very much regret that the federal government does not have a balanced budget requirement, and as a result the nation has a debt of \$7,215,994,507,882 through June 23, and leaders who leave the burden of paying for their policies to future generations.

I have been contacted by dozens of Mississippians who are upset about the loss of prescription drug coverage. It is clear to me that there is considerable confusion about the availability of alternative assistance for the citizens who would lose benefits.

A major assumption underlying the state Medicaid cut is a belief that thousands of Mississippians who lose Medicaid prescription drug coverage will be able to get free or low-cost drugs through the Patient Assistance Programs operated by pharmaceutical companies. I have reason to doubt that is the case and suggest you explore that assumption fully before eliminating Medicaid coverage.

In my fourteen years representing Mississippi in Congress, my offices in Gulfport, Hattiesburg, Ocean Springs, and Laurel have helped thousands of people obtain needed assistance. We are familiar with all federal, state, local, and private sources of

assistance, and have referred hundreds of constituents to apply for prescriptions through Patient Assistance Programs operated by the drug companies. The constituents and I are very appreciative of the drug assistance that many have received, but we have found the process to be quite bureaucratic, time-consuming, and somewhat arbitrary. These offers generally are available only to patients with high drug costs and no drug coverage at all.

My staff has located a fairly comprehensive study of Patient Assistance Programs by Volunteers in Health Care and I recommend it to you. It can be found at <http://www.volunteersinhealthcare.org/Manuals/UsingPAPPrograms.pdf>. The challenges they cite mirror the experience of my offices. A separate application is required for each drug, different companies use different forms and have eligibility and documentation requirements. The Patient Assistance Programs are not entitlements. They are operated at the discretion of the drug companies so the process, criteria, and coverage of drugs can be changed at any time.

The application process must be sent by a physician and requires documentation and administrative paperwork by the physician's office. Most physician practices will help a patient with no drug coverage apply for an expensive drug that treats a chronic condition, but will not go through the process for all drugs, and rarely for drugs that will be needed only temporarily or that are moderately priced, even though several moderately-priced drugs can add up to an expensive drug bill. Even with drugs for chronic conditions, patients often receive temporary assistance, and must reapply to continue receiving the prescription. I encourage you to contact physicians' offices to ask about their policies and experience with these programs.

I do not expect that the drug companies will allow the precedent that a state can eliminate Medicaid drug coverage and the companies will provide, for free, millions of dollars of drugs that they have been selling to the state. If they do that for Mississippi, certainly other states would eliminate Medicaid drug coverage so their residents could get free drugs at no expense to the state. Pharmaceutical companies would end or severely restrict eligibility for their Patient Assistance Programs if states attempt to shift costs to them from Medicaid.

Some of the Mississippians who lose their Medicaid benefit will be able to get at least some of their drugs through the Patient Assistance Programs, and my offices certainly will help them as best we can to negotiate the complicated process, but most of the people affected by this policy probably will not receive free drugs and very few will receive all of their drugs at no cost or low cost.

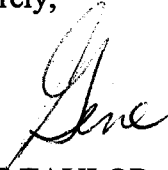
The PLAD beneficiaries targeted by the state's Medicaid reduction are among the most vulnerable citizens in the nation. They are not so poor that they qualify for full Medicaid coverage, but their incomes at or near the poverty level are not enough to afford their prescriptions out of their own pockets. The PLAD population is made up largely of working people or their spouses who retired or became disabled after years of working, but do not have generous employer-provided pensions or health benefits.

Most of the PLADs receive Social Security retirement or survivors benefits or Social Security disability benefits. In order to qualify for those benefits, these individuals (or their spouses in the case of survivors' benefits) must have worked for many years and both they and their employers paid taxes into the system. The aged and disabled citizens who did not work enough to qualify for Social Security are likely to receive Supplemental Security Income (SSI). SSI recipients qualify for full Medicaid and are not affected by the state's PLAD decision.

Those receiving Social Security also receive Medicare, although Social Security disability recipients must wait two years before they can enroll in Medicare. Congress passed a drug benefit for Medicare beneficiaries last year, but the benefit does not take effect until 2006. This year, Medicare merely offers a choice of confusing offers for cards that provide some discounts for some drugs. Those in the PLAD category who are on Medicare will qualify for a \$600 voucher for prescriptions through the discount cards. This would help them replace some of the drug coverage lost by the state Medicaid action, but the discount card and the \$600 subsidy probably will disqualify them from any pharmaceutical company Patient Assistance Program.

Please examine these questions about the effects of the state action before eliminating Medicaid drug coverage. If I may be of any assistance, please do not hesitate to ask.

Sincerely,



GENE TAYLOR  
Member of Congress

GT:jbm

CC: Lieutenant Governor Amy Tuck  
Mississippi State Senators  
Mississippi State Representatives